



**Employees' Retirement Board of Rhode Island**  
**Monthly Meeting Minutes**  
**Wednesday, March 14, 2012**  
**9:00 a.m.**  
**2nd Floor Conference Room, 50 Service Avenue**

The Monthly Meeting of the Retirement Board was called to order at 9:06 a.m. Wednesday, March 14, 2012, in the 2<sup>nd</sup> Floor Conference Room, 50 Service Avenue, Warwick, RI.

## **I. Roll Call of Members**

The following members were present at roll call: General Treasurer Gina M. Raimondo; Vice Chair William B. Finelli; Gary R. Alger, Esq.; Daniel L. Beardsley; Frank R. Benell, Jr.; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; Susan K. Rodriguez designee for Richard A. Licht; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Louis M. Prata and Jean Rondeau.

Also in attendance: Frank J. Karpinski, ERSRI Executive Director; Attorney Michael P. Robinson, Board Counsel.

Recognizing a quorum, Treasurer Raimondo called the meeting to order.

Treasurer Raimondo then administered the oath of office for the re-elected members who included William B. Finelli, Roger P. Boudreau, Michael R. Boyce, John P. Maguire, John J. Meehan, and Louis M. Prata. Linda C. Riendeau was not present; the Treasurer said Ms. Riendeau would be sworn in at the April Board meeting.

### **Nominations and Election of Vice-Chair of the Employees' Retirement System of Rhode Island Board**

In accordance with the General Administrative Rules of the Retirement Board Section (1) Board Administration (A)(9) Officers, Michael R. Boyce nominated William B. Finelli as the Vice-Chairperson of the Retirement Board; the nomination was seconded by Roger P. Boudreau. There being no further nominations, Mr. Boyce motioned to approve Mr. Finelli as Vice Chair and it was unanimously

**VOTED: To reelect William B Finelli, Elected Teacher Representative, as Vice Chairman of the Retirement Board for a term of four years.**

Treasurer Raimondo then congratulated the members and said she looked forward to working with them in the future.

## **II. Approval of Minutes**

On a motion by Jean Rondeau and seconded by Roger P. Boudreau, it was unanimously

**VOTED: To approve the draft minutes of the February 8, 2012 meeting of the Employees' Retirement System of Rhode Island Board.**

### **III. Chairperson's Report**

Treasurer Raimondo expressed her gratitude to the ERSRI staff for the education efforts related to the Rhode Island Retirement Security Income Act (RIRSA). The Treasurer noted that an on-line calculator for members to determine their new retirement age will be available within the next few days. Treasurer Raimondo also recognized the ERSRI staff and expressed how well the counselors are trained to answer members' questions. Treasurer Raimondo said that training sessions on RIRSA have begun taking place and noted that there are various upcoming sessions. She encouraged members to utilize both the Treasury and ERSRI websites to get dates and times.

Additionally, the Treasurer said there was a RIRSA edition of the COMPASS Newsletter sent to all members over the weekend that provided educational information on RIRSA. Treasurer Raimondo noted that ERSRI counselors will be available extra hours until 7 p.m. to answer questions on March 26 and 27, April 9, 10, 23, and 24<sup>th</sup>.

The Treasurer then apprised the Board that ERSRI will be issuing an RFP to perform a municipal review of employers to ensure they are remitting the proper amounts prescribed by RIGL. The Director reminded the Board that the Treasurer had apprised the Board of this review earlier. He said ERSRI realized the work was detailed requiring a large effort, and it made sense to examine the market.

Treasurer Raimondo provided the Board with an update on the assets of the fund and said the investment year to date return is 5.9%. Total assets under management totaled \$5.4 billion.

Treasurer Raimondo then informed the Board that the State Investment Commission (SIC) has chosen Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) as the defined contribution vendor. She said the SIC made the selection with a unanimous vote. The Treasurer noted that TIAA-CREF committed to opening an office in Rhode Island and hiring 5 or 6 full time employees in Rhode Island. Mr. Beardsley acknowledged his appreciation of the selection efforts and thanked both the SIC and Attorney Dingley for their work.

Mr. Prata asked if there will be any mailings sent out to members informing them of TIAA-CREF's appointment. Attorney Dingley said the beginning of May is expected for an initial mailing. The education effort will start mid-May to mid-July.

Mr. Maguire then asked the Treasurer if the Board could obtain a copy of the fees associated with TIAA-CREF since the Board has been named as the "Trustee" of the 401(a) defined contribution (DC) plan.

Mr. Maguire queried Treasurer Raimondo about remittance of Teacher contributions to the DC plan. He noted that some Teachers may elect to receive compensation after June 30 for work performed prior to June 30 i.e. being paid over 26 rather than 21 pay periods. Attorney Dingley said he would arrange a meeting with TIAA-CREF to analyze the matter.

Mr. Boudreau told the Treasurer that a lawsuit is likely to be filed regarding RIRSA. He felt that ERSRI should notify members should such an action be filed. The Treasurer said if there is such a lawsuit, ERSRI would notify members at that time.

## **IV. Executive Director's Report**

Director Karpinski apprised the Board that they are in possession of the Pension Application Report, Disability Subcommittee Report, and the disability books on Jennifer L. Leyden.

The Director then updated the Board on the fiduciary liability insurance. He said he and Attorney Robinson have had several meetings with the State's Risk Manager, Insurance Broker and Risk Consultant as well as representatives from Chartis Insurance Company regarding the bid received from them. He said their original cost proposal was a bit high and the coverage was not practical for ERSRI's needs. After additional meetings and analysis, Director Karpinski and Attorney Robinson felt they had a proposal that the Retirement Board could consider. Director Karpinski said he would convene the Procurement Subcommittee and invite the State's Risk Manager, Insurance Broker and Risk Consultant to discuss the proposal.

Director Karpinski apprised the Board that Gabriel, Roeder, Smith and Company will be presenting the June 30, 2011 actuarial valuation to the Board at the April meeting.

Mr. Heintzelman commended Director Karpinski and the ERSRI staff for their efforts at the education meeting for State employees on RIRSA. The Treasurer was in agreement and also thanked Mr. Heintzelman for attending the session and for his support.

Mr. Boudreau asked if the analysis on the SRA Plus option and COLA has been completed. Director Karpinski said the analysis would be forthcoming shortly to allow members to ask questions of the actuaries in April.

## **V. Administrative Decisions**

### **Disability Appeal –Jennifer L. Leyden vs. ERSRI**

Included in the board books, under separate cover, were the Findings of Fact as concluded by the Disability Subcommittee, transcripts from the appeal to the Disability Subcommittee and the hearing from the full Board from the February Board meeting, medical and supporting information for the matter of *Jennifer L. Leyden vs. ERSRI*.

Attorney Robinson asked if consistent with Regulation Number 9, *Rules pertaining to the application to receive an Ordinary or Accidental Disability Pension*, there were any written briefs, legal memoranda, or exceptions to the conclusions and recommendation of the Disability Subcommittee which must have been submitted to the Executive Director not later than 10 days prior to the hearing. Director Karpinski apprised the Board that there have not been any more filings and that all the information that was received relevant to the case from the Disability Subcommittee was included in Board members' books.

Attorney Robinson then said that pursuant to ERSRI's regulations, each party to the proceeding has the right to appear and to make oral arguments before the Retirement Board. Consistent with the Board's long standing policy, he apprised the appellant that this is not an opportunity to present new factual material or evidence to the Board. He said the Board affords deference to the conclusions of its Disability Subcommittee on factual determinations and questions of credibility and will not overturn those

determinations and assessments unless they are found to be clearly wrong. Attorney Robinson apprised the Board that Ms. Leyden was being represented by Attorney John J. DeSimone.

The appellant was sworn in. Attorney Robinson then provided a synopsis of the *Jennifer L. Leyden vs. ERSRI* matter. There being a stenographer present, the parties presented their cases.

John P. Maguire recused himself from the *Jennifer L. Leyden vs. ERSRI* matter.

At the conclusion of the hearing a motion was made by Gary R. Alger and seconded by Jean Rondeau to uphold the decision of Disability Subcommittee which denied Ms. Leyden's application for accidental disability benefits. A roll call was taken. The following members voted Yea: General Treasurer Gina M. Raimondo; Gary R. Alger, Esq.; Daniel L. Beardsley; Frank R. Benell, Jr.; Susan M. Rodriguez; Thomas A. Mullaney, and Jean Rondeau. The following members voted Nay: William B. Finelli; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; John J. Meehan, and Louis M. Prata.

There being 13 votes cast, 7 voted in the affirmative, and 6 nay, consistent with Rhode Island General Laws §36-8-6, *Votes of the Board -- Record of Proceedings*, there being a majority vote of the members present and voting at which a quorum is present, it was then

**VOTED: To affirm and adopt the recommendation of the Disability Subcommittee to deny the application for accidental disability benefits in the matter of *Jennifer L. Leyden vs. ERSRI*.**

## **VI. Approval of the February Pensions as Presented by ERSRI**

On a motion by Jean Rondeau and seconded by Frank R. Benell, Jr., it was unanimously

**VOTED: To approve the February pensions as presented.**

## **VII. Legal Counsel Report**

Attorney Robinson apprised the Board on the matter of *Albion Fire District vs. ERSRI*. He said there is a claim that Ms. Christine A. Morrisette, a former tax clerk, had unilaterally and without authorization filed an application for membership in the MERS System. The complaint alleges that her actions were not authorized nor approved by the board of fire commissioners and the fire district is seeking to have the employer contributions returned to them. Attorney Robinson said the matter will be assigned to a hearing officer and allowed to complete ERSRI's administrative review process.

## VIII. Committee Reports

**Disability Subcommittee:** The Disability Subcommittee recommended the following actions on disability applications for approval by the full Board as a result of its meeting on March 9, 2012:

Name	Membership Group	Type	Action
1. Andrew Abram	State	Ordinary	Approve
2. Raymond Hoyas	State	Ordinary	Postpone
3. David Bradley	Municipal	Accidental	Postpone
4. Santos Merced	Teacher	Accidental	Deny
5. Nancy Revens	Teacher	Accidental	Postpone
6. Mary Tomasian	State	Ordinary	Approve
7. Janet D'Ambra	Teacher	Ordinary	Approve
8. Gina Loiselle	Teacher	Ordinary	Approve

On a motion by William B. Finelli and seconded by Jean Rondeau, it was unanimously

**VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, March 9, 2012 on items 4 and 5.**

John P. Maguire recused himself from the vote on numbers 4 and 5.

On a motion by William B. Finelli and seconded by Gary P. Alger, Esq., it was unanimously

**VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, March 9, 2012 on items 1, 2, 3, 6, 7, and 8.**

Mr. Finelli noted that the Disability Subcommittee voted Mr. Daniel L. Beardsley as Vice Chair of the Subcommittee.

## IX. New Business

Mr. Maguire asked about language clarification that was discussed at the Special Meeting on RIRSA on January 23<sup>rd</sup>. In particular, Mr. Maguire referenced §16-16-12 (c)(iv) and said it was inconsistent with similar language in §36-10-9. He questioned whether there may be a technical amendment or a regulation that may be adopted to clarify the language. Attorney Dingley said no changes have been proposed as of yet.

Director Karpinski said if no technical amendments are enacted, the Board may consider clarification via regulation.

## **X. Adjournment**

There being no other business to come before the Board, on a motion by Jean Rondeau and seconded by Gary R. Alger the meeting adjourned at 10:00 a.m.

Respectfully submitted,

**Frank J. Karpinski**  
Executive Director